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PSX scales yet another new high

• Strong economic optimism fuels record rally, driven by institutional buying • Index settles above 179,000-point barrier • Premier commends economic policies for restoring investor confidence

By Muhammad Kashif

KARACHI: The Pakistan Stock Exchange (PSX) extended its remarkable rally into the final session of the week, as aggressive buying by investors, spurred by rising economic optimism, propelled the KSE-100 index to a historic close near the 179,500-point threshold on Friday.

The index finished at 179,034.93 points, up 2,679.44 points, or 1.52 per cent.

Prime Minister Shehbaz Sharif expressed his satisfaction with the market's performance, emphasising that the crossing of the 179,000-point mark reflected the growing confidence of the business community and investors in the government's economic policies.

"The country's development journey continues, thanks to the hard work of the economic team," the premier remarked, commending efforts to steer Pakistan towards a path of sustained growth.

Ali Najib, Deputy Head of Trading at Arif Habib Ltd (AHL), attributed the rally to continued domestic institutional buying, with broad participation across blue-chip stocks, reinforcing the bullish trend.

The PSX surged past the 177,000, 178,000, and 179,000-point thresholds in a single session. The continued upward momentum is supported by improved macroeconomic indicators and expectations of stronger corporate earnings in the coming weeks.

The rally has been ongoing since July 2023, when Pakistan entered an IMF Stand-By Arrangement, and the bullish trend carried over into 2026.

Mr Najib pointed to a combination of factors driving the surge, including easing inflation (down to 5.6pc) and a surprise 50-basis-point cut in the policy rate, bringing it to a near three-year low in December. These developments have prompted investors to shift funds from other assets into the equity market.

Additionally, the country's industrial recovery, a boost in large-scale manufacturing, and a 3.71pc GDP expansion in 1QFY26 have strengthened the economic outlook.

The rally has been broad-based, with heavy institutional participation in key sectors, including banking, energy, and pharmaceuticals. The market's positive outlook on government reforms, fiscal stability, and the long-awaited privatisation of the national airline also contributed to investor confidence.

In terms of macroeconomic performance, the Sensitive Price Index (SPI) showed a 2.41pc increase year-on-year, while the country's trade deficit widened to $3.7bn in December. Exports fell to $2.3bn, while imports climbed to $6bn for the month.

On the corporate front, the government is reportedly set to impose a 5pc levy on mobile phone and electronic device imports under the proposed 2026-33 policy. This move is seen as favourable for local assemblers, with Airlink Ltd, a key player in the sector, rising 1.21pc.

Topline Securities Ltd Chief Executive Mohammed Sohail attributed the bullish spell to aggressive institutional buying helping the market set fresh record in new year. Robust urea sales numbers for December and expectations of resolution of gas circular debt boosting investor sentiment, he added.

Among the biggest contributors to the index were United Bank, Engro Fertiliser, Engro Holdings, Pakistan Petroleum, Oil and Gas Development Company, and Fauji Fertiliser, which collectively contributed 1,663 points.

Despite the record-breaking session, market participation showed signs of weakness, with trading volumes falling 20.64pc to 1.1 billion shares. However, the traded value surged by 32.86pc to Rs64.34 billion, reflecting strong investor interest despite lower volumes.

PAKISTAN STOCK EXCHANGE

THE TOP FIVERS

GAINERS		LOSERS		LEADERS*	
PIA Holding CoB	2149.46	Rafhan Maize	80.86	The Bank of Punjab	102.54
Unilever Foods	149.94	Sunrays Textile	14.53	K-Electric	100.90
Hoechst Pakistan	111.28	Fazal Cloth Mills	12.98	Media Times Ltd	43.63
Sazgar Engg	58.46	Sapphire Textile	12.89	PIBT	42.45
Shield Corporation	48.00	Packages Limited	11.32	Pak Qatar Family	35.32

(Share values in rupees)

* Volume in millions of traded shares

INDICATORS	Friday	Previous	Change
KSE 100-SHARE INDEX (Points)	179,034.93	176,355.49	▲ 2,679.44
KSE 30-SHARE INDEX (Points)	55,017.41	54,010.33	▲ 1,007.08
MARKET CAPITAL (Rs billion)	20,212.548	19,968.415	▲ 244.132
TRADING VALUE (Rs billion)	64.340	48.424	▲ 15.916

ACTIVITY

Total listed	532
Active	484
Gainers	253
Losers	201

PARTICIPANTS

Foreign	▼ $7.13m
Companies	▲ $8.51m
Banks	▲ $4.07m
Mutual Funds	▲ $7.43m
Individuals	▼ $14.9m

Exports plunge over 20pc in December

Trade gap widens 35pc in first half, driven by fifth straight monthly contraction

By Mubarak Zeb Khan

ISLAMABAD: Pakistan's merchandise exports dipped 20.41 per cent to $2.317 billion in December 2025 from $2.911bn over the corresponding period last year, making it the fifth consecutive month of decline in the current fiscal year, the Pakistan Bureau of Statistics (PBS) said on Friday.

On a month-on-month basis, the export proceeds posted a negative growth of 4.26pc in December.

The falling trend in exports has yet to raise alarm among policymakers because no meeting was held to identify the reasons. The negative growth in exports continued since August of the current fiscal year, barring July which saw proceeds growing 16.43pc from a year ago.

Export earnings continued their downward trajectory for the fifth consecutive month, with proceeds declining by 14.54pc in November. This follows drops of 4.46pc in October, 3.88pc in September, and 12.49pc in August, reflecting persistent pressures on the country's external trade performance.

In the first half (July-December), the export proceeds recorded a negative growth of 8.70pc to $15.184bn this year as against $16.631bn over the corresponding months of last year.

The persistent decline underscores mounting pressure on the country's trade performance, as exporters grapple with subdued global markets and the high cost of doing business in the country. The textile exporters have already complained about contractions owing to the high cost of doing business.

In FY25, export proceeds rose 4.67pc to $32.106bn against $30.675bn in the preceding year.

The negative growth in exports is a major concern for the exporters.

Trade deficit

According to the PBS data, imports grew 2pc to $6.022bn in December 2025 from $5.904bn over the corresponding month of last year. Month-on-month, imports increased 13.49pc.

In the first six months of 2025-26, the import bill posted a growth of 11.28pc to $34.388bn against $30.902bn over the corresponding months of last year.

The import rose 6.57pc to $58.38bn in July-June FY25 from $54.78bn over the last year.

The trade deficit rose 23.79pc to $3.705bn in December 2025 from $2.993bn over the corresponding month of last year. The trade deficit swelled 34.57pc to $19.204bn in July-December 2025-26 against $14.271bn over the corresponding period last year.

The trade deficit FY25 widened by 9pc to $26.27bn from $24.11bn over the preceding year.

Aurangzeb lauds FBR for record tax collection

By Our Staff Reporter

ISLAMABAD: Finance Minister Muhammad Aurangzeb has described higher revenue collection in December as a strong validation of the government's fiscal reform agenda and sustained focus on compliance, enforcement, and digitisation.

The remarks came from the minister while addressing the field formation via a video link conference on Friday. The minister described the December revenue collection the highest-ever recorded in December.

The FBR collected Rs1.427 trillion in December 2025 against the target of Rs1.446tr projected, indicating a shortfall of Rs19 billion. However, it recorded a growth of 7.5pc compared to Rs1.327tr collected same month last year.

"The progress made over the last 18 months is remarkable, and the December 2025 collection is extremely encouraging," the minister said, adding the government's strategy of digitising the economy, promoting cashless transactions, and strengthening enforcement while maintaining business momentum has begun to deliver tangible and sustainable results.

An official announcement said the minister said that this performance represents the highest revenue collection for December in any year, underscoring improved tax compliance and effective enforcement across the system.

Under the continuous supervision of the FBR Board and in line with the Finance Ministry's reform roadmap, these results reflect a decisive shift toward stronger compliance, improved enforcement, and institutional accountability, reinforcing confidence in the government's commitment to sustainable revenue growth.

The minister urged FBR field formations to further intensify their efforts and double down on initiatives aimed at deepening and widening the tax net. He emphasised that better tax compliance and enforcement measures was the only sustainable way to ease the tax burden on the formal sector, added the announcement.

TOMATO prices have dropped to as low as Rs30 per kilogram in various cities across the country, although this relief has hit growers hard.—Dawn/file

Short-term inflation rises 2.41pc on costly flour, rice

By Our Staff Reporter

ISLAMABAD: Short-term inflation, measured by the Sensitive Price Index (SPI), increased 2.41 per cent year-on-year in the week ending January 1 owing to an increase in the retail price of wheat flour and rice, official data showed on Friday.

The SPI-based inflation recorded an upward trend for the past 22 consecutive weeks.

The increase is mainly driven by a surge in prices of perishable products, as well as chicken, tomatoes, and edible oil prices.

It, however, declined by 0.67pc from the previous week due to a decline in prices of perishable food items including potatoes and onions.

The extraordinary spike in the retail prices of sugar and meat contributed to spike in short-term inflation on an annual basis.

In March, the decline in SPI came after a consistent 11-week period of inflation above 40pc, surging from 29pc recorded on Nov 8, 2023.

The weekly inflation hit a record 48.35pc year-on-year in early May 2023, but then decelerated as low as 24.4pc in late August 2023 before surging past 40pc during the week ending Nov 16, 2023.

The items whose prices increased the most over the previous week included chicken (2.37pc), wheat flour (1.88pc), tomatoes (1.72pc), bananas (1.13pc), garlic (1.11pc), rice basmati broken (0.96pc), rice IRRI-6/9 (0.75pc), vegetable ghee 2.5 kg (0.44pc) and firewood (0.01pc).

The items whose prices saw a decline week-on-week included onions (11.84pc), potatoes (10.21pc), eggs (6.25pc), petrol (3.89pc), diesel (3.20pc), sugar (2.88pc), pulse gram (2.32pc), pulse masoor (1.80pc), LPG (1.31pc), gur (1.12pc) and pulse mash (1.05pc).

However, on an annual basis, the items whose prices increased the most included gas charges for Q1 (29.85pc), wheat flour (24.98pc), beef (12.95pc), sugar (11.90pc), bananas (10.63pc), gur (10.57pc), firewood (10.43pc), chilies powder (10.31pc), powdered milk (9.51pc), lawn printed (8.29pc), shirting (8.07pc) and mutton (7.43pc).

In contrast, the prices of tomatoes dropped 70.52pc, followed by potatoes (52.25pc), onions (40.54pc), garlic (37.35pc), pulse gram (31.06pc), tea lipton (17.79pc), pulse mash (14.01pc), pulse masoor (8.38pc), LPG (2.23pc) and diesel (0.30pc).

The index, comprising 51 items collected from 50 markets in 17 cities, is computed weekly to assess the prices of essential commodities and services at shorter intervals.

Data showed that the prices of 12 items increased, 13 decreased and those of 26 items remained stable compared to the previous week.

VEON to invest $20m in Mobilink Bank

By Our Staff Reporter

ISLAMABAD: Global digital operator and the parent company of Jazz and Mobilink Bank, VEON Group has announced an investment of $20 million in Mobilink Bank to support its growth and digital Islamic banking expansion in Pakistan.

The investment builds on $15m capital deployed by VEON in January 2025 and underscores its confidence in Mobilink Bank's growth momentum and its integrated digital financial ecosystem with JazzCash, amid the rapid expansion of Pakistan's digital banking and microfinance sector.

The capital will be used to scale Mobilink Bank's MSME financing portfolio, advance its Islamic banking offerings, and strengthen its evolution into a technology-driven, digitally native bank, with a continued focus on expanding regulated financial access for underserved communities, particularly small businesses and women.

VEON Group Executive Committee Member and Chairman Mobilink Bank, Aamir Ibrahim, said that the continued stream of investment from VEON underscores our long-term commitment to Pakistan and confidence in the structural shift underway in the country's digital financial services ecosystem.

Mobilink Bank, together with JazzCash, serves over 57 million customers and is supported by a nationwide network of more than one million merchants and agents, anchors one of Pakistan's largest digital financial ecosystems.

Precious metals soar on US rate cut bets

BENGALURU: Precious metals began the first trading session of the New Year by building on the major gains of 2025 as geopolitical tension and expectations of US Fed rate cuts keep demand for gold high.

Spot gold was up 0.3 per cent to $4,328.49 per ounce, as of 17:24 GMT, after rising as high as $4,402.06 earlier in the session. Bullion hit a record high of $4,549.71 an ounce on Dec 26, and logged a 64pc rise in 2025.

US gold futures for February delivery were little changed at $4,339.60 an ounce.

Elsewhere, physical gold traded at a premium in India and China for the first time in about two months.

Spot silver advanced 1.8pc to $72.51 and ounce , after hitting an all-time high of $83.62 on Monday. Platinum jumped 4.5pc to $2,141.81 an ounce, after rising to an all-time high of $2,478.50, also on Monday.

Both metals outperformed gold in 2025, with silver rising over 147pc, driven by its designation as a critical US mineral, supply shortages, and low inventories when industrial and investment demand was strong. Platinum rose 127pc last year. Palladium gained 2.8pc to $1,650.29 an ounce, after closing the previous year up 76pc, its biggest gain in 15 years.

Following the end-of-year rally, all precious metals are set to post weekly losses.

Oil prices ease

Oil prices dipped on their first trading day of 2026 after registering their biggest annual loss since 2020 as investors weighed oversupply concerns against geopolitical risks, including the war in Ukraine and Venezuela exports. Brent crude futures lost 55 cents to $60.29 a barrel by 1616 GMT on Friday while US West Texas Intermediate crude was down 53 cents at $56.89.

The Trump administration's efforts to increase pressure on Venezuelan President Nicolas Maduro continued with Wednesday's imposition of sanctions on four firms.

"Oil prices are locked in this long-term trading range, and there's a sense that the market is going to be well supplied no matter what happens," said Phil Flynn of Price Futures Group. —Reuters

ARL's crude unit goes for temporary shutdown

By Our Staff Reporter

KARACHI: Attock Refinery Ltd on Friday announced that it will temporarily shut down its main crude distillation unit for three to four days starting Jan 4.

In a stock filing, ARL has cited elevated product inventories and reduced upliftment by oil marketing companies.

The company said the shutdown would affect its main crude distillation unit (HBL-1) with a capacity of 32,400 barrels per stream day. The disclosure was made under PSX Rule Book Clause 5.6.1 and Sections 96 and 131 of the Securities Act 2015. According to the refinery, low crude stocks coupled with reduced offtake of petrol and high-speed diesel by oil marketing companies during December 2025 resulted in high finished product stocks at the refinery, necessitating the temporary halt. ARL said essential maintenance activities would be carried out during the shutdown period. Other crude units will continue operations, and downstream processing units will function normally.

The company assured the PSX that committed volumes and uninterrupted despatches for the current month would be maintained despite the shutdown.

US DOLLAR	BUYING Rs280.54 SELLING Rs281.15	EURO	BUYING Rs328.69 SELLING Rs331.62
GBP	BUYING Rs377.21 SELLING Rs380.66	UAE DIRHAM	BUYING Rs76.51 SELLING Rs77.27
KSA RIYAL	BUYING Rs74.80 SELLING Rs75.42	GOLD	TOLA Rs460,262 10 GMS Rs394,600

Urea sales hit all-time high; cement, oil surge

By Our Staff Reporter

KARACHI: Urea sales surged 65 per cent month-on-month and 37pc year-on-year to hit an all-time high of 1.356 million tonnes in December 2025 amid sales push from company/dealers through higher discount offerings.

Total urea off take during 2025 clocked in at 6.73m tonnes, up by 2pc YoY compared to 6.57m tonnes in 2024.

Asad Ali of Topline Securities said Engro Fertiliser has maintained a discount around Rs400 per bag during December 2025 but this was rolled back to Rs150 at the start of the new year. Fauji Fertiliser also offered discounts of Rs150-200 per bag during the same period.

The closing inventory of urea was around 0.315m tonnes in December 2025, down from 1.13m tonnes in November 2025, he said.

Total DAP sales during December 2025 were 80,000 tonnes, down 67pc MoM and 42pc YoY. In 2025, total DAP offtake was estimated at 1.3m tonnes, down 18pc YoY, he said, adding that closing inventory of DAP was around 219,000 tonnes in December 2025.

Cement sales rise

The first half of FY26 proved a bit satisfying as cement sales rose 13.11pc to 21.152m tonnes from 18.7m tonnes in the same period last fiscal year, signalling revival in construction activities.

Exports in the above period fell 4pc to 4.631m tonnes from 4.81m tonnes in the same period last fiscal.

As per data of All Pakistan Cement Manufacturers Association (APCMA), total cement despatches (domestic and exports) stood 9.67pc higher to reach 25.783m tonnes from 25.510m tonnes in 6MFY25.

In December 2025, local cement despatches were 3.725m tonnes compared to 3.5m tonnes in December 2024, up by 6.42pc, while exports fell by 21pc during December 2025 from 783,550 tonnes in December 2024 to 621,685 tonnes in December 2025.

However, total cement shipments (domestic and exports) during December 2025 stood at 4.347m tonnes against 4.284m tonnes in December 2024, a rise of 1.47pc.

Uptick in oil demand

The country's oil sales were recorded at 1.35m tonnes in December 2025, up by 6pc YoY and down by 5pc MoM. The YoY increase was due to economic recovery, lower inflation, and control of smuggling, whereas the MoM decrease in sales was attributable to the 10 days' strike by the transporters in December 2025.

As per Topline Securities, oil sales during IHFY26 rose by 2pc YoY to 8.2m tonnes from 8.02m tonnes tonnes in IHFY25.

Petrol sales saw a 11pc YoY and 3pc MoM increase to 628,000 tonnes in December 2025, while high-speed diesel (HSD) sales fell by 4pc YoY and 19pc MoM to 553,000 tonnes. Furnace oil (FO) sales for December 2025 were up by 40pc YoY and 130pc MoM to 58,000 tonnes.

The brokerage house said oil sales may grow by seven to 10pc in FY26. The government has set a Petroleum Development Levy collection target of Rs1.47tr for FY26 of which Rs739bn (50pc) has been collected in 1HFY26.